

**CITY OF IMPERIAL BEACH
CITY COUNCIL
PLANNING COMMISSION
PUBLIC FINANCING AUTHORITY
HOUSING AUTHORITY
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY**

OCTOBER 2, 2013

**Council Chambers
825 Imperial Beach Boulevard
Imperial Beach, CA 91932**

REGULAR MEETING – 6:00 P.M.

REGULAR MEETING CALL TO ORDER

MAYOR JANNEY called the Regular Meeting to order at 6:00 p.m.

ROLL CALL BY CITY CLERK

Councilmembers present:	Patton, Spriggs
Councilmembers absent:	Bilbray
Mayor present:	Janney
Mayor Pro Tem present:	Bragg
Staff present:	City Manager Hall, City Attorney Lyon, Assistant City Manager Wade, Public Safety Director Clark, Public Works Director Levien, City Clerk Hald

PLEDGE OF ALLEGIANCE

MAYOR JANNEY led everyone in the Pledge of Allegiance.

AGENDA CHANGES

MOTION BY JANNEY, SECOND BY PATTON, TO REMOVE ITEM NO. 2.2 FROM THE CONSENT CALENDAR FOR DISCUSSION AND TO TAKE ITEM NOS. 7.1 AND 7.2 IMMEDIATELY AFTER THE CONSENT CALENDAR. MOTION CARRIED BY THE FOLLOWING VOTE:

AYES:	COUNCILMEMBERS:	SPRIGGS, PATTON, BRAGG, JANNEY
NOES:	COUNCILMEMBERS:	NONE
ABSENT:	COUNCILMEMBERS:	BILBRAY

MAYOR/COUNCIL REIMBURSEMENT DISCLOSURE/COMMUNITY ANNOUNCEMENTS/REPORTS ON ASSIGNMENTS AND COMMITTEES

COUNCILMEMBER SPRIGGS reported on his attendance at Metro Wastewater's 50th Anniversary celebration where he accepted a partnership award and a certificate on behalf of the City. He also announced his attendance at the League of California Cities' Annual Conference in Sacramento as the City's voting representative. He reported on two resolutions that were approved unanimously and stated that he would share workshop information with City Council when agenda items are relevant. He also noted that attending the workshops are opportunities to learn and bring back information on better serving the community.

COUNCILMEMBER PATTON reported on the success of the 10th Annual WildCoast Surfing Contest and the Taste of I.B. Event. He announced that the Fire Station Open House is on October 5.

MAYOR PRO TEM BRAGG spoke about attending the South County Economic Development Council event held at the Pier South Hotel.

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MAYOR JANNEY reported that at a recent SANDAG Board meeting there was consideration of Move Forward funding for bicycle active transportation projects and noted that there was a project that had a route through Imperial Beach, around the Estuary and towards the border. He also reported on his trip to Washington, D.C. where he represented SANDAG and the City of Imperial Beach.

COMMUNICATIONS FROM CITY STAFF

CITY MANAGER HALL announced that a City Council Workshop is scheduled for October 23.

PUBLIC COMMENT

JOHN HAUPT had questions regarding the City's acquisition of land held by the the Boca Rios Homeowners Association.

MAYOR JANNEY referred his questions to City staff.

LEE BERKOWITZ announced that he will sue the City of Imperial Beach and the Sheriff's Department. He asked the City Council to table Item Nos. 6.2, 7.1 and 7.2.

JOY KERKHOFF complained about a neighboring property where there is drug activity and has no water and trash collection services. Although City staff posted two notices to vacate, the inhabitants are still living at the property.

PAUL CZERWIEL also complained about the residents of the property located at 1238 Downing Street.

IMMANUEL ALBREHCT concurred with the comments of the two previous speakers. He expressed concern about drug activity taking place at the property and the safety of the community.

MAYOR JANNEY directed to City Manager Hall to report back to City Council on the status of the property at the next City Council meeting.

ED KRAVITZ stated that he is an advocate for transparency and honesty in government. He acknowledged the new City Manager for acting on items that he brought to his attention.

PRESENTATIONS (1)

None.

CONSENT CALENDAR (2.1-2.8)

Revised Minutes were submitted as Last Minute Agenda Information.

MAYOR JANNEY announced that Item No. 2.2 was pulled from the Consent Calendar in error.

MOTION BY SPRIGGS, SECOND BY PATTON, TO APPROVE CONSENT CALENDAR ITEM NOS. 2.1 THRU 2.8. MOTION CARRIED BY THE FOLLOWING VOTE:

AYES:	COUNCILMEMBERS:	SPRIGGS, PATTON, BRAGG, JANNEY
NOES:	COUNCILMEMBERS:	NONE
ABSENT:	COUNCILMEMBERS:	BILBRAY

2.1 MINUTES.

Approved the revised Regular City Council Meeting Minutes of September 4, 2013.

2.2 RATIFICATION OF WARRANT REGISTER. (0300-25)

Ratified the following registers: Accounts Payable Numbers 83157 through 83256 for a subtotal amount of \$829,074.56 and Payroll Checks/Direct Deposit 45481 through 45510 for a subtotal of \$154,252.28 for a total amount of \$983,326.84.

2.3 ADOPTION OF RESOLUTION NO. 2013-7395 AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH SAN DIEGO SPORTS MEDICINE TO CONTINUE THE IMPERIAL BEACH FIRE DEPARTMENT WELLNESS PROGRAM. (0520-60)

Adopted resolution.

2.4 ADOPTION OF RESOLUTION NO. 2013-7397 AUTHORIZING THE CITY MANAGER TO RENEW THE AGREEMENT BETWEEN THE CITY OF IMPERIAL BEACH AND SOUTHWESTERN COMMUNITY COLLEGE FOR THE PURPOSE OF CONTINUING THE MARINE SAFETY SERVICE TRAINING PROGRAM. (0220-10)

Adopted resolution.

2.5 ADOPTION OF RESOLUTION NO. 2013-7396 AUTHORIZING THE CITY MANAGER TO RENEW THE AGREEMENT WITH SOUTHWESTERN COLLEGE TO CONTINUE THE FIRE-RESCUE TRAINING PROGRAM. (0250-10)

Adopted resolution.

2.6 ADOPTION OF RESOLUTION NOS. 2013-7398 & 2013-7399 AUTHORIZING THE ACCEPTANCE OF THE FISCAL YEAR 2011 & 2012 STATE HOMELAND SECURITY PROGRAM ALLOCATIONS OF \$29,081 TO REIMBURSE THE CITY FOR THE PURCHASE OF PROJECT 25 COMPLIANT RADIOS FOR THE FIRE-RESCUE DEPARTMENT; AND APPROPRIATING \$29,081 TO FUND THE EXPENDITURES RELATED TO THE PURCHASE OF SAID RADIOS. (0390-86 & 0800-30)

Adopted resolutions.

2.7 ADOPTION OF RESOLUTION NO. 2013-7400, AUTHORIZING THE CITY MANAGER TO EXPEND UP TO \$17,305 ABOVE THE ADOPTED FISCAL YEAR 2013/14 BUDGET FOR THE ACQUISITION OF THE REQUIRED EQUIPMENT FOR A PORTABLE INCIDENT COMMAND CENTER, AND TO ACCEPT THE FISCAL YEAR 2013 STATE HOMELAND SECURITY GRANT PROGRAM (SHSGP) AWARD TO REIMBURSE UP TO THE ALLOCATION OF \$17,305 FROM THE COUNTY OF SAN DIEGO OFFICE OF EMERGENCY SERVICES. (0390-86 & 0210-10)

Adopted resolution.

2.8 RESOLUTION NO. 2013-7401 AUTHORIZING THE CITY MANAGER TO ENTER INTO A THREE MONTH AGREEMENT WITH AZTEC LANDSCAPE, INC. FOR LANDSCAPE MAINTENANCE IN CITY PARKS AND LANDSCAPE ROADWAYS. (0940-10)

Received report and adopted resolution.

ORDINANCES – INTRODUCTION/FIRST READING/PUBLIC HEARING (3)

None.

ORDINANCES – SECOND READING/ADOPTION (4)

None.

PUBLIC HEARINGS (5)

See Item No 7.1.

**JOINT PUBLIC HEARING OF CITY COUNCIL & I.B. REDEVELOPMENT AGENCY
SUCCESSOR AGENCY (7.1)**

7.1 RESOLUTION NO. 2013-7402 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH (I) APPROVING A PURCHASE AND SALE AGREEMENT BY AND BETWEEN THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY AND SADBERRY-PALM AVENUE LLC FOR THE SALE OF LAND, AND CONFIRMING THE USE OF TAX ALLOCATION BOND PROCEEDS, FOR THE DEVELOPMENT OF THE 9TH & PALM AVENUE RETAIL/COMMERCIAL SPACE DEVELOPMENT PROJECT LOCATED AT 735-849 PALM AVENUE (APN 626-250-03, 04, 05 & 06) AND MAKING CERTAIN FINDINGS RELATING THERETO, (II) APPROVING THE COMMITMENT LETTER FOR THE USE AND EXPENDITURE OF PUBLIC IMPROVEMENT FUNDS AND ASSIGNMENT OF PLANS PURSUANT TO THE PURCHASE AND SALE AGREEMENT, AND (III) APPROVING OTHER RELATED ACTIONS. (0418-50)

RESOLUTION NO. SA-13-32 A RESOLUTION OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY (I) APPROVING A PURCHASE AND SALE AGREEMENT BY AND BETWEEN THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY AND SADBERRY-PALM AVENUE LLC FOR THE SALE OF LAND, AND CONFIRMING THE USE OF TAX ALLOCATION BOND PROCEEDS, FOR THE DEVELOPMENT OF THE 9TH & PALM AVENUE RETAIL/COMMERCIAL SPACE DEVELOPMENT PROJECT LOCATED AT 735-849 PALM AVENUE (APN 626-250-03, 04, 05 & 06) AND MAKING CERTAIN FINDINGS RELATING THERETO, AND (II) APPROVING OTHER RELATED ACTIONS. (0418-50)

MAYOR JANNEY declared the public hearing open.

CITY MANAGER HALL gave an overview of the item. He noted that the California Department of Finance preferred that the Disposition and Development Agreement (DDA) with Sudberry be modified to a traditional Purchase and Sale agreement. This has resulted in the developer contributing significantly more money than was originally anticipated and he thanked Sudberry for continuing with the project.

ASSISTANT CITY MANAGER WADE gave a PowerPoint presentation on the item.

LEE BERKOWITZ spoke in opposition to the item.

ED KRAVITZ requested that the item be pulled from the agenda and that City Council not take action on the item. He suggested that the property be sold to the highest bidder at fair market value.

MAYOR JANNEY commented that the City relies on highly qualified people to give professional advice to help City Council understand the information.

COUNCILMEMBER SPRIGGS spoke about the history of the project and how it has evolved over many years. He noted that Sudberry has been committed to the development of the property despite the fact that the State abolished redevelopment agencies.

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ESTEAN LENYON stated that Sudberry's commitment to the project began in 2008 and he reported on their partnership and relationship with the City. He stressed that when redevelopment agencies were eliminated, Sudberry decided to continue with the project. He noted that the project can be a catalyst and a beacon for other small cities to see the type of transformation that can take place.

COUNCILMEMBER PATTON stated that Sudberry's vision and patience is amazing and thanked them for continuing with the City.

MAYOR PRO TEM BRAGG thanked Mr. Lenyon and Sudberry for their commitment to quality, patience, due diligence and tenacity.

ESTEAN LENYON introduced Chuck Todd, Chief Operating Officer and in-house General Counsel for Sudberry and recognized him for his commitment to and efforts on the project.

In response to Councilmember Sprigg's question regarding the appraisal, PAUL MARRA, Economic Consultant with Keyser Martson Associates (KMA), spoke about the approach to the valuation. He noted that their approach is similar to that of appraisers whereby the comparable sales approach to value and the income approach to value were used. The appraiser looked at comparable sales from San Diego to Orange County and adjusted them for this location and KMA primarily looked at sales in South San Diego County. They both arrived at a value for an improved property (i.e., up to street level with frontage improvements in place, the Highway 75 reconfiguration completed, all the necessary utilities in place and compaction of soils completed) that would be worth approximately \$5.2 million (\$25.00 per foot). Since the cost to improve the property to meet City standards is approximately \$5 million, the appraised value is \$213,000. The developer has spent more money in the delay of time and more in reconfiguring of the shopping center so their return is substandard. The developer is proceeding with the project because they are invested and have a sunk cost. If they were to approach this transaction today, this would not be a sufficient return for them. He stressed that the design quality, the ability to attract quality tenants and to be sustainable in the long term is based on the proposed level of improvements and the quality of the shopping center.

In response to Mayor Janney's concerns regarding the complexity of the item, KENDALL BERKEY, Special Counsel, stated that there are protections for the City and for the Successor Agency and she reviewed some of those protections that are in the agreement. She recommended the addition of "the City" to Section 102 of the agreement.

In response to questions of the City Council, ESTEAN LENYON stated that the two-phased approach was a safeguard to ensure enough time to fill the center with the right quality tenants. Currently, there is good interest by quality tenants and anticipated a one-phase development.

MAYOR JANNEY closed the public hearing.

MOTION BY JANNEY, SECOND BY PATTON, TO ADOPT RESOLUTION NO. 2013-7402 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH (I) APPROVING AN AMENDED PURCHASE AND SALE AGREEMENT BY AND BETWEEN THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY AND SUDBERRY-PALM AVENUE LLC FOR THE SALE OF LAND, AND CONFIRMING THE USE OF TAX ALLOCATION BOND PROCEEDS, FOR THE DEVELOPMENT OF THE 9TH & PALM AVENUE RETAIL/COMMERCIAL SPACE DEVELOPMENT PROJECT LOCATED AT 735-849 PALM AVENUE (APN 626-250-03, 04, 05 & 06) AND MAKING CERTAIN FINDINGS RELATING THERETO, (II) APPROVING THE COMMITMENT LETTER FOR THE USE AND

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EXPENDITURE OF PUBLIC IMPROVEMENT FUNDS AND ASSIGNMENT OF PLANS PURSUANT TO THE PURCHASE AND SALE AGREEMENT, AND (III) APPROVING OTHER RELATED ACTIONS.

In response to Councilmember Spriggs' question regarding the urgency in moving forward with the item, ASSISTANT CITY MANAGER WADE stated that the biggest issue is from the developer side. He noted that time is always the enemy in a real estate deal so the sooner the Purchase and Sale Agreement is sent to the DOF, the sooner they can review it.

VOTES WERE NOW CAST ON ORIGINAL MOTION BY JANNEY, SECOND BY PATTON, TO ADOPT RESOLUTION NO. 2013-7402 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH (I) APPROVING AN AMENDED PURCHASE AND SALE AGREEMENT BY AND BETWEEN THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY AND SADBERRY-PALM AVENUE LLC FOR THE SALE OF LAND, AND CONFIRMING THE USE OF TAX ALLOCATION BOND PROCEEDS, FOR THE DEVELOPMENT OF THE 9TH & PALM AVENUE RETAIL/COMMERCIAL SPACE DEVELOPMENT PROJECT LOCATED AT 735-849 PALM AVENUE (APN 626-250-03, 04, 05 & 06) AND MAKING CERTAIN FINDINGS RELATING THERETO, (II) APPROVING THE COMMITMENT LETTER FOR THE USE AND EXPENDITURE OF PUBLIC IMPROVEMENT FUNDS AND ASSIGNMENT OF PLANS PURSUANT TO THE PURCHASE AND SALE AGREEMENT, AND (III) APPROVING OTHER RELATED ACTIONS. MOTION CARRIED BY THE FOLLOWING VOTE:

AYES:	COUNCILMEMBERS:	SPRIGGS, PATTON, BRAGG, JANNEY
NOES:	COUNCILMEMBERS:	NONE
ABSENT:	COUNCILMEMBERS:	BILBRAY

MOTION BY JANNEY, SECOND BY BRAGG, TO ADOPT RESOLUTION NO. SA-13-32 A RESOLUTION OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY (I) APPROVING A PURCHASE AND SALE AGREEMENT BY AND BETWEEN THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY AND SADBERRY-PALM AVENUE LLC FOR THE SALE OF LAND, AND CONFIRMING THE USE OF TAX ALLOCATION BOND PROCEEDS, FOR THE DEVELOPMENT OF THE 9TH & PALM AVENUE RETAIL/COMMERCIAL SPACE DEVELOPMENT PROJECT LOCATED AT 735-849 PALM AVENUE (APN 626-250-03, 04, 05 & 06) AND MAKING CERTAIN FINDINGS RELATING THERETO, AND (II) APPROVING OTHER RELATED ACTIONS. MOTION CARRIED BY THE FOLLOWING VOTE:

AYES:	COUNCILMEMBERS:	SPRIGGS, PATTON, BRAGG. JANNEY
NOES:	COUNCILMEMBERS:	NONE
ABSENT:	COUNCILMEMBERS:	BILBRAY

I.B. REDEVELOPMENT AGENCY SUCCESSOR AGENCY REPORTS (7.2)

7.2 ADOPTION OF RESOLUTION NO. SA-13-33 OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE AMENDED LONG RANGE PROPERTY MANAGEMENT PLAN PREPARED PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34191.5. (0418-50)

ASSISTANT CITY MANAGER WADE reported on the item.

LEE BERKOWITZ read exerpts of an article about the new hotel that appeared in the Union Tribune.

ASSISTANT CITY MANAGER WADE displayed a slide showing the economic benefits of

carrying out the project.

MOTION BY JANNEY, SECOND BY BRAGG, TO ADOPT RESOLUTION NO. SA-13-33 OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE AMENDED LONG RANGE PROPERTY MANAGEMENT PLAN PREPARED PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34191.5. MOTION CARRIED BY THE FOLLOWING VOTE:

AYES:	COUNCILMEMBERS:	SPRIGGS, PATTON, BRAGG, JANNEY
NOES:	COUNCILMEMBERS:	NONE
ABSENT:	COUNCILMEMBERS:	BILBRAY

REPORTS (6.1-6.2)

6.1 UPDATE REPORT ON CONSTRUCTION OF THE PIER SOUTH HOTEL. (0660-43)

SERGIO SANDOVAL, Construction Manager for Pacifica Hotels, gave a PowerPoint presentation on the item. He announced that there will be a job fair on October 9 and that the General Manager is Tim Earp. He reviewed the completion schedule and said that the opening is planned for mid-November.

MAYOR JANNEY thanked Pacifica for hosting the South County Economic Development Council event.

COUNCILMEMBER SPRIGGS questioned the marketing plans during the holiday season and if discounted rooms could be offered to locals if the hotel does not have full occupancy.

SERGIO SANDOVAL stated that he would pass the questions on to the new sales and marketing manager.

MAYOR PRO TEM BRAGG also thanked Pacifica for hosting the South County Economic Development Council event.

COUNCILMEMBER PATTON stated that what he saw of the hotel is is amazing. He appreciated a locally hired chef and for bringing in a local business to participate with the hotel. He stressed that there are a lot of quality people in Imperial Beach who would be good employees and he encouraged Pacifica to find ways to hire locally.

ALLISON ROLFE, Director of Planning for Pacifica Hotels, stated that the job fair will be published locally and also believes that it is beneficial to hire locally.

6.2 RESOLUTION 2013-7394 APPROVING THE FISCAL YEAR 2013/14 CAPITAL IMPROVEMENT PROGRAM PROJECTS AND TO APPROPRIATE THE FUNDS FOR THESE PROGRAMS. (0330-35)

CITY MANAGER HALL reported on the item. He stated that in the future the CIP will be prepared in conjunction with the budget.

MAYOR JANNEY stated that the alley paving project should not be on the list. He was not in support of moving forward with what was presented to City Council because there needs to be a bigger discussion on how the improvements are funded.

MAYOR PRO TEM BRAGG questioned how to proceed. She suggested that her comments be given to the City Manager and to postpone the discussion of the item.

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COUNCILMEMBER PATTON suggested that the projects be placed in order of importance and that the City Council send their questions and/or notes to the City Manager.

COUNCILMEMBER SPRIGGS stated that there needs to be clear criteria for using reserve funds, questioned what the long term strategic goals are and where funds should be spent. He suggested these as topics for discussion at the upcoming workshop.

MAYOR JANNEY suggested that staff return to City Council with maintenance projects that need to proceed; and at the workshop, have a discussion on the revenue sources for capital projects.

LEE BERKOWITZ, indicated neutrality, but was not available to speak.

CITY MANAGER HALL stated that staff will bring back ongoing and infrastructure projects. For the workshop, he suggested a discussion on the focus and vision of where we are headed. With regard to the CIP, he stated that it can be divided into the bare essentials and those that are transformational or would change the appearance or vision of the City. He spoke about presenting a planning document that ties with City Council goals. He noted that there is no action to be taken tonight in order to continue the work that is in progress.

ITEMS PULLED FROM THE CONSENT CALENDAR (IF ANY)

None.

ADJOURNMENT

Mayor Janney adjourned the meeting at 8:23 p.m.

/s/

James C. Janney, Mayor

/s/

Jacqueline M. Hald, MMC
City Clerk